

## **INTERNAL SERVICE FUNDS**

The **Executive Services Fund** accounts for support services furnished to other City departments by the Executive Services Department. These services include motor pool, vehicle lease and maintenance, data processing, office and commercial space rental, and maintenance of general purpose municipal property. It also provides printing and duplicating services, designs and constructs new general purpose municipal facilities, provides purchasing services for City departments, and administers the City's public works and consultant contracts. The Executive Services Fund also accounts for the Citywide finance, personnel, and budget functions which were moved from the General Fund in 1998.

The **Information Technology Fund** accounts for support services furnished to other City departments by the Department of Information Technology. The services include managing the City's information technology resources, including Citywide telecommunications, data communications, and the physical infrastructure that supports it; the City's telephone system, radio system, fiber optic network; Citywide application infrastructure; and interactive media services.

The **Engineering Services Fund** accounts for the design, construction, and management services performed for capital improvement projects.

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INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

December 31, 2001

(In Thousands)

	Executive Services	Information Technology	Engineering Services	Comparative Totals	
				2001	Restated 2000
ASSETS					
Current Assets					
Cash and Equity in Pooled Investments	\$ 22,765	\$ 11,734	\$ 311	\$ 34,810	\$ 27,536
Receivables, Net of Allowances:					
Accounts	121	17	5	143	190
Unbilled and Other	-	1,215	51	1,266	774
Due from Other Funds	4,390	2,493	288	7,171	7,912
Due from Other Governments	713	1,000	2,843	4,556	4,841
Materials and Supplies Inventory	1,995	372	-	2,367	3,069
Prepayments and Other Current Assets	68	-	2	70	181
	30,052	16,831	3,500	50,383	44,503
Restricted Assets					
Construction Fund - Cash and Equity in Pooled Investments	-	3,363	-	3,363	-
Vendor Deposits - Cash and Equity in Pooled Investments	45	14	296	355	503
	45	3,377	296	3,718	503
Property, Plant, and Equipment					
Land and Land Rights	86	-	-	86	86
Plant in Service, Excluding Land	122,469	45,142	3,729	171,340	166,989
Less Accumulated Depreciation	(60,882)	(36,326)	(3,262)	(100,470)	(94,346)
Construction in Progress	-	3,102	-	3,102	-
	61,673	11,918	467	74,058	72,729
TOTAL ASSETS	\$ 91,770	\$ 32,126	\$ 4,263	\$ 128,159	\$ 117,735
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 3,159	\$ 1,774	\$ 139	\$ 5,072	\$ 6,289
Contracts Payable	7	-	-	7	7
Due to Other Funds	1,288	522	1,550	3,360	3,757
Salaries, Benefits, and Payroll Taxes Payable	1,508	445	267	2,220	1,842
Compensated Absences Payable	4,137	1,000	583	5,720	4,685
Claims Payable	339	16	39	394	334
Accrued Interest Payable	26	9	-	35	45
General Obligation Bonds Due Within One Year	571	845	-	1,416	804
Accrued Taxes Payable	-	-	-	-	1
Deferred Credits	53	-	-	53	50
Other Current Liabilities	14	90	-	104	31
	11,102	4,701	2,578	18,381	17,845
General Obligation Bonds					
General Obligation Bonds, Due Serially	1,754	5,635	-	7,389	2,907
Less Bonds Due Within One Year	(571)	(845)	-	(1,416)	(804)
Bond Discount and Premium, Net	(14)	202	-	188	(21)
	1,169	4,992	-	6,161	2,082
Other Noncurrent Liabilities					
Advances from Other Funds	-	-	7,200	7,200	7,400
Claims Payable - Noncurrent	667	62	117	846	874
Vendor Deposits Payable	45	14	296	355	503
Other Noncurrent Liabilities	-	-	-	-	7
	712	76	7,613	8,401	8,784
TOTAL LIABILITIES	12,983	9,769	10,191	32,943	28,711
FUND EQUITY					
Contributions in Aid of Construction	7,379	202	796	8,377	8,377
Retained Earnings (Accumulated Deficit)	71,408	22,155	(6,724)	86,839	80,647
TOTAL FUND EQUITY	78,787	22,357	(5,928)	95,216	89,024
TOTAL LIABILITIES AND FUND EQUITY	\$ 91,770	\$ 32,126	\$ 4,263	\$ 128,159	\$ 117,735

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**INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS**

**Year Ended December 31, 2001**

*(In Thousands)*

	<b>Executive Services</b>	<b>Information Technology</b>	<b>Engineering Services</b>	<b>Comparative Totals</b>	
				<b>2001</b>	<b>Restated 2000</b>
<b>Operating Revenues</b>					
Charges for Services	\$ 65,736	\$ 31,929	\$ 8,705	\$ 106,370	\$ 95,098
Rents, Parking, and Concessions	20,736	-	-	20,736	16,075
Total Operating Revenues	86,472	31,929	8,705	127,106	111,173
<b>Operating Expenses</b>					
Operations and Maintenance	56,991	28,979	-	85,970	59,907
Engineering Services	-	-	8,683	8,683	10,482
General and Administrative	35,320	4,034	-	39,354	41,977
City Business and Occupation Taxes	-	-	-	-	1
Other Taxes	-	-	12	12	-
Depreciation and Amortization	10,863	3,717	347	14,927	15,343
Total Operating Expenses	103,174	36,730	9,042	148,946	127,710
NET OPERATING INCOME (LOSS)	(16,702)	(4,801)	(337)	(21,840)	(16,537)
<b>Nonoperating Revenues (Expenses)</b>					
Investment and Interest Income	-	801	-	801	-
Interest Expense	(159)	(117)	(1)	(277)	(207)
Gain (Loss) on Sale of Capital Assets	(369)	-	-	(369)	17
Others, Net	-	-	-	-	26
Total Nonoperating Revenues (Expenses)	(528)	684	(1)	155	(164)
NET INCOME (LOSS) BEFORE FEES, CONTRIBUTIONS, GRANTS, AND TRANSFERS	(17,230)	(4,117)	(338)	(21,685)	(16,701)
<b>Fees, Contributions, Grants, and Transfers</b>					
Capital Fees, Contributions, and Grants	-	-	1	1	-
Operating Transfers In	24,456	6,490	-	30,946	25,281
Operating Transfers Out	(3,070)	-	-	(3,070)	(1,493)
Total Fees, Contributions, Grants, and Transfers	21,386	6,490	1	27,877	23,788
NET INCOME (LOSS)	4,156	2,373	(337)	6,192	7,087
<b>Retained Earnings (Accumulated Deficit)</b>					
Beginning of Year	67,252	23,045	(6,387)	83,910	73,560
Restatement:					
Prior-Period Adjustment for Inventory	-	(3,263)	-	(3,263)	-
Beginning of Year as Restated	67,252	19,782	(6,387)	80,647	73,560
<b>RETAINED EARNINGS - END OF YEAR</b>	<u>\$ 71,408</u>	<u>\$ 22,155</u>	<u>\$ (6,724)</u>	<u>\$ 86,839</u>	<u>\$ 80,647</u>

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**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2001**  
*(In Thousands)*

	Executive Services	Information Technology	Engineering Services	Comparative Totals	
				2001	2000
<b>Cash Flows from Operating Activities</b>					
Cash Received from Customers	\$ 88,105	\$ 30,751	\$ 10,034	\$ 128,890	\$ 150,524
Cash Paid to Suppliers	(41,435)	(20,219)	(2,643)	(64,297)	(82,575)
Cash Paid to Employees	(50,631)	(13,337)	(6,966)	(70,934)	(69,953)
Net Cash from Operating Activities	(3,961)	(2,805)	425	(6,341)	(2,004)
<b>Cash Flows from Noncapital Financing Activities</b>					
Proceeds of Interfund Loan	-	-	7,200	7,200	7,400
Payment of Interfund Loan	-	-	(7,400)	(7,400)	(8,900)
Operating Fees and Grants Received	-	309	-	309	-
Operating Transfers In	24,456	6,489	-	30,945	25,281
Operating Transfers Out	(3,070)	-	-	(3,070)	(1,493)
Net Cash from Noncapital Financing Activities	21,386	6,798	(200)	27,984	22,288
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from Sale of Bonds and Other Long-Term Debt	-	5,487	-	5,487	-
Principal Payments on Long-Term Debt	(529)	(275)	-	(804)	(935)
Capital Fees and Grants Received	-	-	1	1	-
Capital Expenditures and Deferred Charges Paid	(11,687)	(5,305)	(102)	(17,094)	(16,728)
Interest Paid On Long-Term Debt	(159)	(115)	-	(274)	(207)
Proceeds from Sale of Capital Assets	1,035	-	-	1,035	1,462
Other	(305)	-	-	(305)	(157)
Net Cash from Capital and Related Financing Activities	(11,645)	(208)	(101)	(11,954)	(16,565)
<b>Cash Flows from Investing Activities</b>					
Interest Received on Investments	-	801	-	801	-
NET INCREASE (DECREASE) IN CASH AND EQUITY IN POOLED INVESTMENTS	5,780	4,586	124	10,490	3,719
<b>Cash and Equity in Pooled Investments</b>					
Beginning of Year	17,030	10,525	483	28,038	24,320
<b>END OF YEAR</b>	<u>\$ 22,810</u>	<u>\$ 15,111</u>	<u>\$ 607</u>	<u>\$ 38,528</u>	<u>\$ 28,039</u>
<b>CASH AT THE END OF THE YEAR CONSISTS OF:</b>					
Operating Fund Cash	\$ 22,765	\$ 11,734	\$ 311	\$ 34,810	\$ 27,536
Bond Proceeds/Construction Fund Cash	-	3,363	-	3,363	-
Vendor Deposits Cash	45	14	296	355	503
<b>TOTAL CASH AT THE END OF THE YEAR</b>	<u>\$ 22,810</u>	<u>\$ 15,111</u>	<u>\$ 607</u>	<u>\$ 38,528</u>	<u>\$ 28,039</u>

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**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2001**  
*(In Thousands)*

	<u>Executive Services</u>	<u>Information Technology</u>	<u>Engineering Services</u>	<u>Comparative Totals</u>	
				<u>2001</u>	<u>2000</u>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>					
Net Operating Income (Loss)	\$ (16,702)	\$ (4,801)	\$ (337)	\$ (21,840)	\$ (13,274)
<b>Adjustments to Reconcile Net Operating Income (Loss) to Net Cash from Operating Activities</b>					
Depreciation and Amortization	10,863	3,717	347	14,927	15,343
Changes in Operating Assets and Liabilities:					
Accounts Receivable	(54)	37	1,172	1,155	1,829
Unbilled Receivables	-	(1,215)	-	(1,215)	-
Due from Other Funds	1,665	(1,198)	156	623	1,856
Materials and Supplies Inventory	691	12	-	703	(3,566)
Accounts Payable	(535)	(519)	(161)	(1,215)	629
Salaries, Benefits, and Payroll Taxes Payable	249	142	(14)	377	(669)
Compensated Absences Payable	673	200	162	1,035	126
Due to Other Funds	(131)	734	(882)	(279)	(46)
Claims Payable	42	15	-	57	(88)
Accrued Taxes Payable	13	-	(1)	12	1
Accrued Interest Payable	(12)	-	-	(12)	-
Other Assets and Liabilities	(723)	71	(17)	(669)	(4,145)
Total Adjustments	<u>12,741</u>	<u>1,996</u>	<u>762</u>	<u>15,499</u>	<u>11,270</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ (3,961)</u></u>	<u><u>\$ (2,805)</u></u>	<u><u>\$ 425</u></u>	<u><u>\$ (6,341)</u></u>	<u><u>\$ (2,004)</u></u>